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FOR IMMEDIATE RELEASE

October 13, 2006

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MODESTO MARIJUANA COLLECTIVE OWNERS
INDICTED AS A CRIMINAL ENTERPRISE

FRESNO-- United States Attorney McGregor W. Scott announced today that a federal grand jury returned a eighteen-count indictment charging LUKE ANTHONY SCARMAZZO, 26, of Modesto, RICARDO RUIZ MONTES, 26, of Modesto, JOSE MALAGON, 33, of Modesto, ANTONIO MALAGON, 28, of Modesto, LUCKY JAMAL BOISSIERE, 26, of Modesto, BRADLEY JASON WICKLIFFE, 28, of Discovery Bay, BRAD HEINMILLER, 32, of Merced, STEPHEN J. DEMATTOS, 24, of Modesto, and MONICA VALENCIA, 25, of Modesto, with various federal charges relating to the manufacture and distribution of marijuana. SCARMAZZO and MONTES are charged with conducting a continuing criminal enterprise in relation to their business, the California Healthcare Collective, an enterprise engaged almost exclusively in distributing marijuana. The indictment further charges all of the individuals with conspiring to manufacture and distribute marijuana and with various individual counts of manufacturing or possessing marijuana with the intent to distribute. SCARMAZZO and MONTES are also charged with possessing firearms in furtherance of the marijuana-trafficking crimes. SCARMAZZO, MONTES, DeMATTOS, and VALENCIA also face charges of conspiring to launder the proceeds of marijuana trafficking.

This case is the product of an extensive/joint investigation by the Drug Enforcement Administration, Modesto Police Department, Stanislaus Drug Enforcement Agency, and Central Valley High Intensity Drug Task Force.

According to court records, SCARMAZZO and MONTES obtained a business license from the City of Modesto to operate the California Healthcare Collective (CHC), a business which, according to the license application, would engage in "retail sales of natural healthcare products." However, court records allege that SCARMAZZO and MONTES were engaged in the business of selling marijuana. Filings with the City of Modesto indicate that SCARMAZZO claimed the CHC earned more than \$4.5 million during the time that the CHC was operating in Modesto. Court records further indicate that 10 seizure warrants were executed at several area financial institutions and search warrants were executed at 11 different locations in Modesto and Hughson, resulting in the seizure of more than 100 pounds of marijuana, 1,000 marijuana plants, 10 firearms, and more than \$200,000 in cash in late September 2006.

"No matter how much the defendants would like to cloak their activities behind California's Proposition 215, this was a drug trafficking operation, generating millions of dollars in illicit proceeds. Nothing more, nothing less," said United States Attorney Scott.

According to Assistant United States Attorney Kathleen A. Servatius, who is prosecuting the case, if convicted, SCARMAZZO and MONTES face federal penalties of a mandatory 20-year term of imprisonment, a fine of \$1 million on the charge of conducting a criminal enterprise, and mandatory five-year to life terms of imprisonment and fines of \$250,000 for the firearms charges. All of the charged individuals face sentences of between 5 and 20 years and fines as high as \$1 million if convicted of money laundering, manufacturing marijuana, or possessing marijuana with intent to distribute.

The defendants were arraigned today before the Honorable Sandra M. Snyder in the United States District Court in Fresno and entered pleas of not guilty.

The charges are only allegations and the defendants are presumed innocent until and unless proven guilty beyond a reasonable doubt.

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